

RESOLUTION 96-12

**TO AUTHORIZE
A TWO YEAR EXTENSION OF THE 1985 CABLE FRANCHISE AGREEMENT
AND TO ASSESS
A FIVE PERCENT FRANCHISE FEE FOR USE OF PUBLIC RIGHTS-OF-WAY**

WHEREAS, the City of Bloomington and TCI of Indiana, Inc. have been engaged in ongoing negotiations for a new cable franchise for the City; and

WHEREAS, recent changes in federal law are resulting in a major nationwide restructuring of telecommunications services, offerings and opportunities; and

WHEREAS, neither the City of Bloomington nor TCI of Indiana, Inc. believes a long term franchise agreement is advisable in the current environment of telecommunications development; and

WHEREAS, planning for and investing in the future telecommunications infrastructure of the city is vital for the future of Bloomington; and

WHEREAS, federal law permits franchising authorities to assess a franchise fee of up to five percent of the annual gross revenue of the cable system in exchange for the cable system's use of the public rights-of-way; and

WHEREAS, the City of Bloomington intends to use franchise fees for support of community access telecommunications services that benefit its citizens and for development of its telecommunications infrastructure;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, THAT:

SECTION 1. The Board of Public Works is authorized to extend the Cable Franchise Agreement under which the City of Bloomington and TCI of Indiana, Inc. have been operating since August 1985 for a two year period. The Board of Public Works shall grant this extension only upon assurance, through letters of understanding or other binding agreements, that:

(a). TCI of Indiana, Inc. will continue, during that two year period, to improve and enhance the technical capabilities of its cable system;

(b). TCI of Indiana, Inc. will continue, during that two year period, to improve and enhance the customer services it offers its subscribers, and the general services it provides for use of the public rights-of-way;

(c). TCI of Indiana, Inc. makes a commitment for continued support of community access services in the City.

Prior to granting a two year extension, and during the pendency of any such extension, the Board of Public Works shall seek input, advice and evaluation from the Telecommunications Council regarding TCI of Indiana, Inc.'s commitment to and fulfillment of the criteria outlined above.

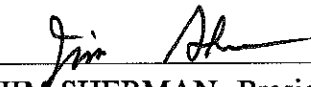
SECTION 2. The City of Bloomington shall assess a franchise fee of five percent of the annual gross revenue of TCI of Indiana's Bloomington cable system in exchange for TCI of Indiana's use of the public rights-of-way. Said assessment shall take effect with TCI of Indiana, Inc.'s next billing cycle.

The City intends to set aside the franchise fee revenues into a dedicated fund and allocate the funds in the following manner: an amount equal to a three percent franchise fee shall be used for support of community access telecommunications services that benefit the

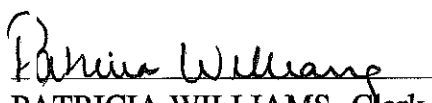
citizens of Bloomington, and an amount equal to the additional two percent franchise fee shall be used for planning and development of the City's telecommunications infrastructure.

SECTION 3. Severability. If any section, sentence or provision of this resolution, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared to be severable.

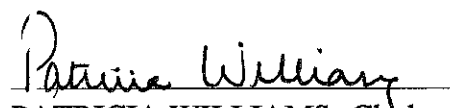
PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this 19 day of June, 1996.


JIM SHERMAN, President
Bloomington Common Council

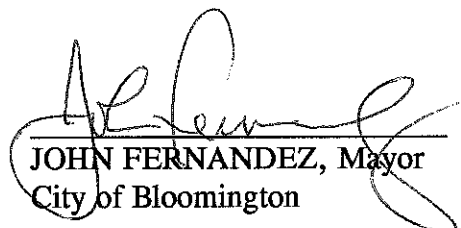
ATTEST:


PATRICIA WILLIAMS, Clerk
City of Bloomington

PRESENTED by me to Mayor of the City of Bloomington, Monroe County, Indiana, upon this 19 day of June, 1996.


PATRICIA WILLIAMS, Clerk
City of Bloomington

SIGNED AND APPROVED by me upon this 19 day of June, 1995.


JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This resolution authorizes the Board of Public Works to extend the August 1985 Cable Franchise Agreement between the City and TCI of Indiana, Inc. for a two year period, provided TCI commits to certain technical and customer service improvements, and continued support of community access services. It also raises the franchise fee on TCI for its use of the public rights-of-way from three to five percent and expresses the intent of the City to dedicate this revenue in the following manner: an amount equal to a three percent franchise fee shall be used for support of community access telecommunications services that benefit the citizens of Bloomington, and an amount equal to the additional two percent franchise fee shall be used for planning and development of the City's telecommunications infrastructure.

Signed copies to:
Public Works / TCC HT legal
Legal Dept
TCI
CASA / clerk file